

Reliant Energy Comments on Retail Competition Definition

Reliant offers the following definition for retail competition along with a couple of topics for consideration in any future workshops

1. Definition of Retail Competition: A market where all retail electric customers make choices as to how to satisfy their electricity needs. The amount of competitive retail activity is maximized when all identified barriers to wholesale and retail competition have been eliminated. Under a competitive retail market, the provision of power supply is separate from the regulated wires company, just as the generation of electricity is separate from the regulated wires company.
2. Potential topics for discussion:
 - Discussion and listing of existing barriers
 - Discussion of how barriers can be overcome (legislatively, regulatory action, etc.)
 - Discussion of expansion of classes declared competitive
 - Discussion of how default rates can be tied more closely to market-based pricing – all rate classes

With regard to workshop format: Reliant believes that the best way to conduct these workshops is a mix of live and e-mail forums. Live discussions can better facilitate the free flow of ideas and opinions.

April 21, 2006